

## Message Text

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16

ORIGIN OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 TRSE-00 XMB-07 SP-03 CIEP-02

LAB-06 SIL-01 OMB-01 /092 R

66613

DRAFTED BY: ID/LA-AFR:FMCLJOHNSTON

APPROVED BY: EB/IFD/OIA/MKENNEDY

EB/IFD/OIA:TBRODERICK

OPIC/VP/ID:GRCOOPER (DRAFT)

ARA/BR:JSLATTERY

----- 036724

R 242124Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 109874

E.O. 11652: N/A

TAGS: EFIN BR

SUBJ: OPIC RATIONING IN BRAZIL

REF: STATE 055348

OPIC HAS RECEIVED A LETTER FROM THE MUNICIPAL PREFECTURE OF GUARUJA DELIVERED BY AND EVIDENTLY PREPARED IN COOPERATION WITH DOW CHEMICAL COMPANY. THE LETTER DRAWS ATTENTION TO THE INDUSTRIAL UNDERDEVELOPMENT OF GUARUJA AND BY IMPLICATION SUGGESTS THAT GUARUJA SHOULD NOT BE INCLUDED AMONG THE INDUSTRIALIZED AREAS WHEREIN NEW INVESTMENTS WILL NOT BE REGISTERED FOR OPIC INSURANCE OR CONSIDERED FOR OPIC FINANCIAL PARTICIPATION, IN ACCORDANCE WITH THE POLICY SET FORTH IN REFTEL.

OPIC IS NOT INCLINED TO DEPART FROM ITS RATIONING POLICY AND ITS DEFINITION OF THE INDUSTRIALIZED AREAS (WHICH WAS ARRIVED AT AFTER UNCLASSIFIED

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CONSULTATION WITH EMBASSY AND CONSULAR OFFICERS), AND INVESTMENTS

SUCH AS DOW CHEMICAL'S IN GUARUJA' WOULD NOT FALL WITHIN THE VERY LIMITED EXCEPTIONS FOR SMALL INVESTMENTS AND SMALL BUSINESS STIPULATED IN ITS POLICY. HOWEVER, OPIC WOULD APPRECIATE ANY COMMENTS AND ADVICE OF THE EMBASSY AND/OR CONSULATE WITH RESPECT TO AN APPROPRIATE RESPONSE TO THIS OFFICIAL COMMUNICATION.

THE TEXT OF THE LETTER FROM THE MUNICIPAL PREFECTURE IS AS FOLLOWS:

QUOTE" IN COMPLIANCE WITH A REQUEST FOR INFORMATION FORMULATED BY DOW QUIMICA S/A WE WISH TO COMMUNICATE THE FOLLOWING:

1. THE MUNICIPALITY OF GUARUJA IS ONE OF THE MOST SOUGHT AFTER SUMMER RESORTS IN THE STATE OF SAO PAULO RECEIVING ANNUALLY HUNDREDS OF THOUSANDS OF TOURISTS.

BECAUSE OF ITS NATURAL BEAUTY IT IS A CONSTANTLY GROWING TOURIST CENTER. THE CONSTRUCTION OF THE PIACAGUERA HIGHWAY AND OF THE COASTLINE HIGHWAY THT WILL CONNECT GUARUJA TO RIO DE JANEIRO WILL ALLOW AN EVER GREATER FLOW OF TOURISTS.

2. ON THE OTHER HAND THIS MUNICIPALITY HAS BEEN ENDEAVORING TO DEVELOP

AN INDUSTRIAL CENTER THAT COULD ABSORB LOCAL LABOR ESPECIALLY THAT LOCATED AT VICENTE DE CARVALHO.

2.1 THE DEVELOPMENT OF AN INDUSTRIAL CENTER BY CREATING NEW JOBS WOULD HELP SOLVE LOCAL SOCIAL PROBLEMS AND WOULD PROVIDE INCREASED REVENUES FOR THE MUNICIPALITY AND CONSEQUENTLY AN IMPROVEMENT IN PUBLIC SERVICES. IF ON THE ONE HAND THIS MUNICIPALITY HAS DEVELOPED GREATLY AS A TOURIST CENTER WE RECOGNIZE THAT THE DEVELOPMENT OF AN INDUSTRIAL CENTER WOULD STILL REQUIRE GREAT EFFORT ON UR PART IN ORDER TO BE ABLE TO ATTRACT SUBSTANTIAL INDUSTRIES SUCH AS DOW QUIMICA AND PROPENASA - THE ONLY ONES INSTALLED HERE OTHER THAN A SMALL FISHING ENTERPRISE. UNQUOTE (SIGNED BY RAPHAEL VITIELLO, PREFEITO MUNICIPAL DE GUARUJA) END RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, LESS DEVELOPED COUNTRIES, POLICIES, TOURISM, INDUSTRIAL DEVELOPMENT, RATIONING, INVESTMENT OPPORTUNITIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE109874  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** AFR:FMCLJOHNSTON  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740131-1020  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740518/aaaaaptx.tel  
**Line Count:** 96  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN OPIC  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 055348  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 OCT 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 OCT 2002 by boyleja>; APPROVED <07 JAN 2003 by martinjw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPIC RATIONING IN BRAZIL  
**TAGS:** EFIN, BR, OPIC, DOW CHEMICAL COMPANY  
**To:** BRASILIA SAO PAULO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005